

## INSTRUCTIONS FOR EMPLOYER'S ANNUAL RECONCILIATION OF STATE INCOME TAX WITHHELD (L-3)

This report serves two purposes: to balance the total amounts of Louisiana income tax withheld listed on the withholding statements with the total amount reported by you as an employer on your reports during the year, and to act as a transmittal for the Department's copy of the withholding statement. No payment is required with this report.

Under Louisiana Revised Statute 47:114(F), this report, with copies of the withholding statement Form W-2, must be filed on or before the first business day following February 27 for the preceding calendar year. If your business terminates during the year, the report must be filed within 30 days after the last month in which the wages were paid. If the due date falls on a weekend or holiday, the report is due the next business day and becomes delinquent the first day thereafter.

Employers with over 250 employees must file on magnetic media. The magnetic media submitted must meet the specifications in the latest Social Security publication concerning magnetic media filing including all state fields.

Severe penalties are imposed for failure to file this report and accompanying copies of the withholding statement, Form W-2. Late submission of the Annual Reconciliation Form (L-3) and the W-2 information will result in a penalty of \$5 per receipt not to exceed \$7,500. If a billing notice is issued, a collection fee may also be imposed.

### PREPARATION OF FORM L-3

Mark the box indicating how the annual information is submitted. 1099 information may be reported to the Department (through the IRS) via the Combined Federal State Reporting Program. If so, check the box "CFS" along with an additional box if W2 information is also being transmitted. If submitting an amended form, mark the appropriate box.

**Line 1** – Enter the amount of your gross payroll for the year for which you are filing.

**Line 2** – Enter the amount of tax previously remitted during the tax year for which you are filing. This total should equal the total reflected in the reconciliation on the back of this form.

**Line 3** – Enter the total number of persons employed by the taxpayer during the tax period. Enter the total number of W-2's (copy 2) accompanying this report, or the number of employees reported on magnetic media.

**Line 4** – Add the Louisiana income tax withheld from each individual copy of Form W-2 and print the total on this line. An adding machine tape or other listing indicating the individual amounts and the total must accompany this report.

**Compare the amounts on Lines 2 and 4.** If they **do not** agree, you must amend the L-1 return for the appropriate tax period and remit additional tax due with your amended L-1 return along with this report. If a refund is due, you must amend your L-1 return requesting a refund for the appropriate tax period.